



**United States Department of Agriculture  
Rural Development  
Pennsylvania**

PA AN No. 1275 (1942-A)  
November 26, 2012

**SUBJECT:** Application Processing Procedures  
Community Facilities

**TO:** Community Facilities/Multi-Family Housing Program Director, Area  
Directors, Team Leaders, Area Specialists, Area Technicians  
Rural Development, Pennsylvania

**PURPOSE/INTENDED OUTCOME:**

This PA Administrative Notice (AN) is intended to clarify procedures for the processing of loan and grant applications for the Community Facilities (CF) Program. The intention is to clarify the requirements for submission of files to the State Office for the CF Program and to clarify the process for controlling the number of applications in the pipeline.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces PA AN No. 1267 (1942-A and 1780) which was issued November 18, 2011 and expires November 30, 2012.

**IMPLEMENTATION RESPONSIBILITIES:**

Historically applications for assistance have exceeded our program funding allocations especially for grant funds. For this reason, we need a mechanism to control the amount of funds being pursued by active applications to keep consistent with our program fund allocations and initiatives.

In the Community Facilities program, the preapplication process and the issuance of AD-622's can provide this mechanism in accordance with RD Instruction 1942-A, 1942.2. All applicants are required to submit a preapplication regardless of the project size and type of project. If the funding pipeline is full at the time a preapplication is submitted to the State Office, the file will be reviewed and ranked with others according to priority point score and the State Office will authorize issuance of an AD-622 stating that the applicant is "eligible but does not have priority for funding at this time." The State Office will then add that applicant to the waiting list. As funds become available, the State Office will issue another AD-622 authorizing submission of a full application.

**EXPIRATION DATE:**  
**November 30, 2013**

**FILING INSTRUCTIONS:**  
**Preceding RD Instruction 1942-A**

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Phone: (717) 237-2299 • Fax: (717) 237-2191 • TTY/TDD& Voice: 711; TTY/TDD only: (717) 237-2261  
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Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

If the applicant does not submit a complete application within six (6) months of the issuance of the AD-622 for a complete application, a letter should be sent to the applicant notifying them to submit their complete application or their request will be withdrawn in thirty (30) days. Applicants must be advised that grant eligibility is on a graduated basis subject to population, median household income, financial need and priority points. The amount of the CF grant assistance must be the minimum amount sufficient for feasibility purposes after all sources of revenues for loan repayment has been determined.

### **Submission of Complete Applications to the State Office for Obligation**

All complete application files should be assembled and tabbed in accordance with State Office position guides and application processing checklists available on PA Sharepoint. CF loans and grants are now underwritten in CPAP which will be accessed by the State Office to review underwriting and print forms. When the application is complete and when requesting authorization to issue the Letter of Conditions and loan/grant approval, the items listed in Attachment A will be required to be submitted to the State Office. The State Office will review submission of the requested items and CPAP and authorize issuance of the Letter of Conditions. When the original signed 1940-1 Obligation Form, a signed copy of the 1942-46 Acceptance of Conditions, and a copy of the issued Letter of Conditions are received in the State Office, the loan and/or grant will be obligated. *Faxed or scanned 1940-1 Obligation Forms will only be accepted near Pooling dates, near the end of the Fiscal Year, or near interest rate adjustment dates which negatively affect the customer.* During these times you will be notified whether or not faxed forms are permissible. The State Office will notify LAPAS. After the official obligation date, the State Office will notify the applicant in writing. Applications that are complete, properly documented in CPAP and received in a timely manner will be funded promptly.

Complete application files for CF are not required to be submitted to the State Office when requesting authorization to issue the Letter of Conditions and loan/grant approval unless the loan/grant requires National Office approval. Refer to RD Instruction 1942-A, 1942.5. Since we are not requiring file submission, Area Directors and/or Team Leaders should establish a review process for their oversight of CF processing. If you have any questions, please call the Community Facilities/Multi-Family Housing Division at (717) 237-2188.

/s/ Thomas P. Williams

THOMAS P. WILLIAMS  
State Director

Attachment

**Community Facilities Programs**  
**Project Submission to State Office for Letter of Conditions Authorization**

The following items should be submitted in hard copy in lieu of a complete application file:

- Area Specialist's Narrative and Recommendation in memo form and Credit Analysis;
- Area Specialist's signed Project Summary with comments;
- Area Director's and/or Team Leader's concurrence for approval;
- Copy of the Processing Checklist showing the date received for all applicable items included in the file;
- Form SF 424.2 "Application for Federal Assistance";
- Financial Feasibility Report or Analysis;
- Balance Sheet and most current audit.

The following items will need to be uploaded to notes and attachments section in CPAP:

- Draft Letter of Conditions;
- Proof of Publication for FONSI;
- Public Notice of Intent to File Application for Public Bodies;
- Preliminary Engineer/Architect review comments;

Before submitting the above items for review, be sure all fields in CPAP are completed, including all discussion and comment sections since the State Office will be relying on CPAP for its review.

Submission for obligation will include the following:

- Original Grant Agreement (if applicable) signed by the Applicant for State Office approval;
- One (1) original 1940-1 Obligation Form signed by the applicant;
- One (1) copy of Form 1942-46, Letter of Intent to Meet Conditions, signed by the applicant;
- One (1) copy of the issued Letter of Conditions (on field letterhead);
- One (1) copy of the completed Form AD-3031 (in the case of non-profits);
- Ensure the "Ready to Obligate" box is checked in CPAP and all validations have passed.